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****FACT SHEETS INCLUDED****

**STATEMENT BY SENATOR EDWARD M. KENNEDY ON PRESIDENT
BUSH'S MISGUIDED BUDGET**

Washington, D.C. – Today, Senator Edward M. Kennedy released the following statement on President Bush's budget:

"The President fumbled yet another opportunity to put forward a budget that demonstrates real understanding of the challenges our country is facing today and that provides real relief for hardworking Americans. I look forward to next year and a Democratic President whose budget will honor our country's true priorities."

Fact sheets on the effects of President Bush's budget are below:

**BUSH EDUCATION BUDGET JEOPARDIZES OPPORTUNITIES FOR
AMERICA'S FAMILIES**

*Proposes No New Investment to Strengthen our Nation's Public Schools
Takes Away New Benefits to Help Student Borrowers Afford Loan Payments
Guts Loan Forgiveness Program for those in Public Service Jobs*
Senator Edward Kennedy

"Today more than ever, a quality education is the gateway to achieving the American dream. Education is about opportunity, but it's also about our nation's economic prosperity and our national security. Unfortunately, once again, President Bush has failed to put his money where his mouth is with respect to public education. His rhetoric is to leave no child behind but his budget leaves 3 million children behind – and cuts critical education programs from early education through adulthood. On top of funding cuts, he proposes misguided, anti-student policies in the loan programs that take away new benefits for student borrowers enacted last year. His proposals would cut critical assistance for borrowers in low paying jobs struggling to repay their loans and dramatically cut the number of individuals eligible for public service loan forgiveness.

The President proposes no new investment to strengthen our nation's public elementary and secondary schools. As we work to reauthorize the Elementary and Secondary Education Act this year, I am particularly concerned that the President has once again proposed inadequate funding for the law's important reforms. He has used the same old tactics of robbing other education priorities to pay for his modest increases for school reform. His budget once again siphons scarce resources from our public schools to create a new voucher program, and he eliminates the existing afterschool program in favor of an \$800 million voucher-based alternative. Our schools and children deserve more than accounting gimmicks – they need new resources to make progress on reform."

President Bush's Fiscal Year 2009 budget provides no increase in overall education funding – freezing funding at \$59.2 billion in discretionary education funding.

President Bush's paltry proposed increases in funding for the Title I of the No Child Left Behind Act and a \$300 million voucher program are more than offset by the elimination of 48 programs (\$3.3 billion), including Perkins career and technical education, Tech Prep, Supplemental Education Opportunity Grants (campus-based aid), LEAP, Education Technology State grants, Even Start, Smaller Learning Communities, Arts in Education, School Counseling, and Special Olympics Education Program. He also proposes significant cuts to numerous other programs including Safe and Drug-Free Schools State grants, Teacher Quality State grants, and funds for Teaching American History. Once again robbing Peter to pay Paul. His budget proposal:

- Underfunds the No Child Left Behind Act by \$14.7 billion, for a cumulative shortfall of \$85.6 billion since enactment of the law.
 - Under the President's budget, NCLB funding would rise by just \$125 million, for a total of \$24.7 billion.
 - Funding for Title I grants to LEAs increases by \$406 million, an increase intended to boost funding for high schools, for a total of \$14.3 billion, but this increase is more than offset by the elimination of career and technical education programs – a cut three times as large as the Title I increase.
 - Despite the increase, the Title I shortfall from last year's authorized level of \$25 billion would be \$10.7 billion, and the cumulative shortfall since enactment would rise to \$65.4 billion
 - Leaves behind 3 million children who could be fully served by Title I if the program were funded at the level promised last year by NCLB. In Massachusetts, 47,579 children would be left behind.
 - Slashes after-school programs by nearly \$300 million – between 635,000 and 1.1 million students would lose services. Eliminates the existing after-school program to replace it with a voucher-based alternative. Funding for after-school services would drop to \$800 million – a shortfall of \$1.7 billion from the amount promised in the law.
- Proposes “rearranging the deck chairs” on competitiveness initiatives:
 - Though the President proposes funding the new “Math Now” program and increasing funding for Advanced Placement and International Baccalaureate programs, as authorized under the America COMPETES Act last year, he proposes to eliminate funding provided by Congress to fund a new COMPETES program to train a new generation of high quality math, science, technology and engineering teachers.
- Diverts \$300 million to a voucher program similar the unsuccessful proposals he's included in the past. This year, the program is called “Pell Grants for Kids.”

- Though the budget includes a \$337 million increase in IDEA funding, it provides less than half the 40 percent “full funding” promised by Congress 33 years ago.
 - The proposed level of \$11.3 billion falls \$10.2 billion short of the \$21.5 billion authorized for FY 2009 when the law was reauthorized in 2004. The cumulative shortfall since the President signed the Act is \$30.5 billion.
 - In addition, the President plans to take administrative action to reduce Medicaid-based reimbursements related to services for special education students by \$600 million in FY 2009 and \$3.6 billion over the next 5 years.
- Once again proposes to eliminate the Perkins career and technical education programs despite the fact that Congress reauthorized and strengthened these programs in 2006 and the President signed the reauthorization bill into law. The administration irresponsibly argues that a \$400 million increase in funding for Title I will offset the loss of \$1.3 billion in career and technical education programs for 17 million students – as well as other program cuts.
 - Massachusetts would lose \$21.1 million.
- Proposes a small increase of \$149 million for Head Start programs – making only a down payment on inflationary increases in recent years, and serving no new children. Due to severe underfunding, over 1 million 3- and 4-year-olds are denied Head Start services.

The President’s budget proposal includes irresponsible, anti-student policies for student loan borrowers and barely keeps pace with increases to the maximum Pell Grant delivered by the Democratic Congress last year in the College Cost Reduction and Access Act:

- Provides only enough funding for the Pell Grant to keep pace with the levels enacted by the Democratic Congress last year in the College Cost Reduction and Access Act – the maximum grant would be \$4,800 for the 2009-2010 school year.
- Cuts new student benefits provided by Congress under the College Cost Reduction and Access Act:
 - Cuts \$450 million in interest rate subsidies for individuals in low-paying jobs, taking away a critical new benefit to help borrowers stay on track with affordable loan repayment.
 - Dramatically reduces eligibility for the new loan forgiveness program for individuals in public service and non-profit jobs, limiting the new benefit to only *new* borrowers who take out loans after July of 2009, rather than allowing any borrower – including those who are already in repayment on their loans – to take advantage of the program.
- Eliminates the Perkins loans program, which over 500,000 needy students depend on.

- Eliminates the Supplemental Educational Opportunity Grant program which provides over \$750 million in campus-based student aid to low-income individuals.

Corporation for National Service

The President's budget essentially flat-funds national service programs. It provides a small increase to AmeriCorps programs to maintain the current number of participants, but that increase is offset by cuts to other important programs:

- Once again proposes a significant cut to Learn and Serve, which provides funds for students to engage in service learning projects. The Administration's cut of 14 percent could mean up to 200,000 fewer students are able to participate in service learning.
- Cuts funding for the Foster Grandparents program by \$40 million, or 37 percent. The Foster Grandparents program provides small stipends for low-income seniors to provide mentoring, tutoring, and other support to disadvantaged and disabled youth.
- Cuts funding for the National Civilian Community Corps, which has provided almost over 1.4 million hours of service to help rebuild and provide services to the Gulf Region since Hurricane Katrina. The Administration's budget cuts funding for the NCCC programs by almost 59 percent to \$9.8 million, down from \$23.8 million in FY08.

THE BUSH BUDGET IGNORES THE URGENT NEEDS OF WORKING FAMILIES

"Just as the President's shortsighted policies have allowed our economy to spiral into recession, his budget leaves working families to weather the storm alone. Millions of Americans are receiving pink slips and seeing the American Dream slip away—but instead of helping, this budget slashes funding for needed programs for workers and their families." — Senator Edward M. Kennedy

At a time when the economy is failing and Americans are more financially squeezed than ever, the President's budget drastically cuts or even eliminates vital programs to support working families. Unemployment is on the rise, and in this Bush economy millions of out-of-work Americans simply can't find a job. Yet the President's budget eliminates programs that help workers to find new jobs and train them for new careers. It also falls far short of providing the necessary resources to protect those workers who do have jobs.

Unemployment Insurance. President Bush's budget turns a deaf ear to the nearly 8 million Americans who are unemployed and having a harder time finding new work, eliminating State Employment Service grants for programs that help workers find new employment.

Job training. As jobs in manufacturing and other industries continue to disappear, job training for displaced workers is more critical than ever. These services help workers

learn new skills and find meaningful jobs in growing sectors, and job training also helps to provide the competitive workforce our new economy demands. Annual shortfalls mean that there are not nearly enough job training slots for the 151,400 workers currently unemployed in Massachusetts. But the President's budget cuts funding for training and employment services by \$484 million, to just under \$3 billion—a decrease of 14 percent. This includes:

- A \$138 million reduction of Workforce Investment Act (WIA) Adult Worker formula funds, to \$712 million; a \$98 million reduction of WIA Dislocated Worker formula funds, to \$1.2 billion; and a \$92 million reduction to WIA Youth formula funds, to \$891 million.
- Requiring that federal job training funds be used for “Career Advancement Accounts” that would require workers to pay for job training that is currently offered for free.
- Combining adult worker, dislocated worker and youth funding under WIA and Employment Service (ES) programs into a single block grant, eliminating discrete programs that provide vital services to groups with special needs, like unemployed youth and Native Americans.
- Cuts to the Job Corps program of \$35 million, or 2.2 percent.
- A cut of \$172 million – or 33 percent – to the Community Services Employment Program for Older Americans, which could reduce the number of employment opportunities for more than 25,000 low-income older Americans.
- Eliminating the Migrant and Seasonal Farmworker program, which helps farmworkers and their families achieve economic self sufficiency by offering supportive services and helping them to acquire new skills for jobs that offer better pay.

Trade Adjustment Assistance. Since 2001, increasing numbers of workers have used this critical program, which provides income support benefits and job training assistance to workers who lose their jobs because of trade. At a time of rising unemployment and increased competition for work, the Trade Adjustment Assistance for Workers program is more important than ever. The President's budget proposes no increase in training funds and only a small increase to worker benefits, despite the fact that many states consistently run out of TAA funds before the end of each year.

Worker Safety and Health. No American family should have to worry whether their loved ones are going to come home at the end of a shift. Too often, American workers are asked to put their lives on the line while employers take advantage of the Bush Administration's lax enforcement of our nation's safety rules. Again, the President's budget does not make the safety of American workers the high priority that it should be.

- Since President Bush took office, he has repeatedly tried to slash money to train workers in safety practices and equipment. This budget again seeks to eliminate OSHA funds for worker safety and health training.
- Under President Bush, dozens of vital safety standards—including standards to protect workers from the threat of pandemic flu and diacetyl that causes popcorn lung and standards setting new Permissible Exposure Limits for chemicals and other toxic substances—have languished without action for years. This budget provides insufficient funds to finalize and enforce these protective rules.

International Labor Affairs Bureau. American workers deserve to compete on a level playing field in the global economy—but this requires raising labor standards around the world. The vital first step is to end abusive labor practices like child labor. Yet the President's budget drastically cuts funding for the International Labor Affairs Bureau's global efforts to combat child labor—reducing the agency's budget by \$66.1 million, an 82% decrease.

THE BUSH BUDGET SHOULD SUPPORT EFFECTIVE ANTI-POVERTY PROGRAMS

"There continue to be 37 million Americans, including 13 million children, living in poverty today. In these hard economic times, working families are suffering, and more will fall into poverty without decisive action. Parents are being forced to choose between feeding their children or heating their homes. Budgets represent a nation's morals and priorities and this one falls far short. We must do more for the most vulnerable in our society." — Senator Edward M. Kennedy

Under President Bush, those at the bottom of the economic ladder have been left farther and farther behind and are now facing a "perfect storm" where each new challenge can drag a family under. Under his policies, wages have remained nearly stagnant after inflation, rising only 6%. while the cost of gas has risen 73%; health insurance, 38%; college tuition, 43%; and housing, 39%. These extraordinary increases in prices force families to make impossible choices between paying for fuel, paying for groceries, or paying their mortgage. Parents who choose to keep their children warm and fed risk losing their home. Yet the President's budget shortchanges the programs that can stop this domino effect and help families in crisis get back on track:

- Cuts the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP provides money to low-income families who can't afford the steep cost of home heating. The President's FY09 Budget requests \$1.7 billion for formula funds and \$300 million for contingency funds, for a total of \$2 billion for LIHEAP. This funding level is a 22% cut from the FY08 enacted amount of \$2.57 billion.
- Eliminates the Community Services Block Grant which provides funding for over 1,000 community action agencies to alleviate causes and conditions of poverty in low-income communities. Community Action Agencies across the country will

be forced to limit the programs they offer and fire essential staff. These cuts could impact services to over 600,000 Massachusetts residents living in poverty.

- Cuts the Social Services Block Grant by \$500 million. The Social Services Block Grant funds programs for domestic violence, meals on wheels, child welfare services, services for disabled children and adults, child care, long term care, and other appropriate services needed by individual states.
- Fails to increase the funding for Temporary Assistance to Needy Families at a time when our economy is sluggish. The funding for TANF has failed to keep up with inflation and the real value of the programs' benefits has decreased by 20% over the past decade.

HEALTH CARE

The Bush budget continues the assault of this Administration on affordable, quality health care for working families. It includes punitive cuts to Medicare, Medicaid, and other health care programs – cuts that strike at the heart of working families' ability to afford quality health care. The budget squanders the potential of the century of the life sciences by under-funding NIH, particularly in its most innovative programs that cut across disciplinary lines. As a result, more than 4 in 5 new grant proposals judged meritorious by peer review, will go unfunded.

The budget fails to protect America's families from pandemics and terrorist attacks, by cutting key programs that invest in America's hospitals. It further erodes the ability of FDA to keep America's families safe from contaminated food and unsafe drugs by proposing significant real cuts in FDA's budget – then trying to disguise them through budgetary smoke and mirrors. And the budget spurns opportunities to address the disparities in health that affect millions of Americans by cutting the budget for key programs, such as investment in a diverse health workforce.

The specifics are below:

Medicare

The President's budget proposes a \$12.8 billion cut to Medicare in 2009 (\$182.7 to be cut over 5 years). This includes an almost \$4 billion decrease to inpatient hospitals and an almost \$1 billion cut to Skilled Nursing Facilities. It also includes a \$1 billion cut eliminating duplicate hospital Indirect Medical Education (IME) payments for Medicare Advantage beneficiaries and an almost \$1 billion reduction over the next three years in the IME add-on – the special payment to teaching hospitals to cover the higher patient costs they incur. Additionally, the budget proposes to reduce hospital Disproportionate Share Hospital payments – the payment adjustment that compensates hospitals for the higher operating costs they incur in treating a large share of low-income patients – by 30 percent over the next 2 years.

Medicaid

The budget proposes a total of \$17.3 billion in reductions over the next five years. The reduced spending comes from legislative changes in Medicaid that would reduce federal Medicaid funding by a net of \$1.5 billion over five years and \$5.1 billion over ten years, as well as regulatory changes that would reduce federal funding by an additional \$12.2 billion over five years. A substantial majority of these Medicaid changes would be achieved by shifting costs to states. That likely would induce many states to reduce eligibility or scale back health benefits for low-income Medicaid beneficiaries, possibly by using the authority that the just-passed budget reconciliation bill gives states to increase co-payments, impose premiums, and narrow the health services that Medicaid covers.

- Elimination of Graduate Medical Education payments in Medicaid (one of the Medicaid cuts) would be \$40 million for Massachusetts hospitals in 2009, \$200 million over 5 years.

Children's Hospital Graduate Medical Education

The Administration is zeroing out this program. This is a \$300 million cut, including \$21 million for Children's Boston Hospital.

Community Health Centers

Community health centers will get a small increase, about 1% -- not sufficient to keep up with inflation.

NIH

This year's budget request remains the same as last year- \$29.5b. This represents a loss of funding in real terms.

- The FY 2009 Budget request for the National Center on Minority Health and Health Disparities is \$200 million, a zero increase from last year's budget. The FY 2009 request grossly underfunds programs that address the medical needs of our most underserved communities to increase cost effectiveness within the U.S. health care system.

Bioterrorism Prevention

The budget marks the fifth year in row in which the Administration has proposed reducing key programs to keep America safe from deadly biological weapons. The budget includes cuts of \$137 million to the public health preparedness program and of \$62 million to the hospitals preparedness program.

FDA

Consumer groups, industry, and the FDA Science Board have called for increases in FDA's budget so the agency can fulfill its obligation to protect America's families.

Nominally the President's budget calls for a \$130 million increase in FDA funding. In real dollars the budget would result in a decrease of \$72 million in FDA program funding. The President's budget includes \$106 million from user fees. The user fee increase includes \$14 million for the review of prescription drug advertising that is not currently operating and \$49 million from four currently unauthorized user fee programs: for human generic drugs, for animal generic drugs, for food facility reinspections, and for certifications to facilitate food exports. Moreover, increases in some program areas—such as defending against a terrorist attack on the food supply—come with decreases in other areas—such as other food safety programs.

CDC

The FY 2009 Budget request for the Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATDSR) is \$8.8 billion, a decrease of \$412 million from FY 2008. This includes a \$29 million reduction from CDC's Chronic Disease Prevention and Health Promotion as well as Birth Defects, Disability and Health.

HRSA

The FY 2009 Budget requests \$5.9 billion for the Health Resources and Services Administration (HRSA), a net decrease of \$992 million from FY 2008. HRSA provides national leadership program resources and services needed to improve access to culturally competent, quality health care.

- Health Professions: FY 2009 budget request is \$66 million, a net decrease of \$557 million.

IHS

The FY 2009 Budget requests \$4.3 billion for the Indian Health Service (IHS), a net decrease of \$21 million. IHS provides health services for the growing population of American Indians and Alaska Natives to reduce health disparities.

AHRQ

The FY 2009 Budget request for the Agency for Health Care Quality and Research is \$326 million, a \$9 million decrease from FY 2008. AHRQ is charged with improving the quality, safety, efficiency, and effectiveness of health care for all Americans.

Program Terminations: For example, among the domestic discretionary programs that would be terminated are:

- The Commodity Supplemental Food Program, which provides nutritional food packages for less than \$20 a month to more than 400,000 low-income elderly people, one-third of whom are over age 75;
- The Preventive Care Block Grant, which is operated by the Centers for Disease Control and Prevention and provides grants to states for preventive health services for underserved populations;
- The TRIO Talent Search program, under which colleges and universities — in many cases, Historically Black Colleges and Universities — assist disadvantaged secondary school students (two-thirds of whom are minority) by providing them with academic, career, and financial counseling so they will better be able to finish high school and attend college;
- The Community Services Block Grant, which provides funding for a range of social services and other types of assistance to low-income families and elderly and disabled individuals.

DISABILITY IN THE PRESIDENT'S BUDGET

President Bush's Fiscal Year 2009 budget proposes deep cuts to key services and supports for individuals with disabilities.

HEALTH

The President's budget proposal:

- Cuts funding for the **Substance Abuse and Mental Health Services Administration** by \$199 million, for a total of \$3.158 billion. While modest increases are seen in children's mental health, homelessness programs, and the Substance Abuse Prevention and Treatment Block Grant, the budget proposal:
 - Cuts \$243 million throughout SAMHSA's Programs of Regional and National Significance.
 - Eliminates underage drinking prevention programs, a \$5 million cut.
 - Cuts funding for youth suicide prevention by \$12 million.
 - Underfunds Protection and Advocacy programs for those with mental illness by \$1 million.
- Offsets a slim \$1 million increase in overall funding for **HIV/AIDS programs** with cuts in funding for some of the Ryan White Care Act's critical programs. The budget:
 - Cuts \$7.7 million from Part A of the Ryan White Care Act.
 - Cuts \$5 million for Aids Education Training Centers.
 - Diverts \$40 million in funds for important prevention activities to testing programs.
 - Provides a modest \$6 million increase to the Aids Drug Assistance Program.

- Eliminates funding for HRSA programs for individuals with **Traumatic Brain Injuries**, at a time when brain injuries are the signature wound in the wars in Iraq and Afghanistan.
- Provides no funding for **Mental Health Parity** legislation that would put mental health coverage on par with physical health coverage.

EDUCATION

The President's budget proposal:

- Increases the overall funding of programs under the **Individuals with Disabilities Act** by \$154 million for a total of \$12.3 billion, while cutting critical early intervention services. The budget:
 - Cuts Preschool grants by \$3 million
 - Cuts grants for Infants and Families by \$9 million.
 - Eliminates Special Olympics education programs (\$12 million cut), while providing \$7.5 million for the 2009 Special Olympics World Winter Games.
- For the first time in the history of the legislation, the President's budget strips the cost of living adjustment, and it holds the **Vocational Rehabilitation State grant programs** for individuals with disabilities at the current \$2.8 billion level. The budget:
 - Eliminates Supported Employment programs that help individuals with developmental disorders including autism, a \$29 million cut.
 - Eliminates Recreational programs, a \$2 million cut.
 - Eliminates programs for Migrant and Seasonal Farm Workers, another \$2 million cut.
- Maintains the current level of funding for programs for **Autism and other Developmental Disorders**, providing a total of \$108 million.
- In addition, the President plans to take administrative action to reduce Medicaid-based reimbursements related to services for special education students by \$600 million in FY 2009 and \$3.645 billion over the next 5 years.

LABOR

The President's budget proposal:

- Cuts funding for the **Office of Disability Employment Policy** by 55%, from \$27 million to \$12 million.
- Provides a modest increase for the **"Ticket to Work" program**, increasing from \$42 million to \$46 million.

